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President Andry Rajoelina (2019-present) wastes no time in selecting his cabinet after his inauguration as Madagascar's new president. The Assemblée Nationale (national assembly) approves a bill that allows President Rajoelina to legislate by decree after its dissolution on 5 February. Rajoelina presents his state policy to the council of ministers, outlining his plans and policies for the new government, which focus on peace and security. Rajoelina's cabinet appointments reflect a desire to repair relations with the International Monetary Fund and crack down on corruption. Madagascar places 152nd out of 180 countries with a score of 25 in Transparency International's 2018 Corruption Perceptions Index. The state-run oil regulator, Office des Mines Nationales et des Industries Stratégiques (OMNIS) (national office of mines and strategic industries), announces that the government has suspended its 2018/2019 licensing round involving 44 blocks in the offshore Morondava Basin.

Rajoelina appoints his cabinet

Andry Rajoelina (2009-2014, 2019-present) wasted no time in selecting his new cabinet after being inaugurated as **Madagascar's** new president on 19 January. Rajoelina's enthusiasm is a positive sign for potential investors. Although he is likely to make major pro-business reforms in his first few months of office, he will need to make sure he does not alienate the opposition in his race to get things done. Rajoelina's first, and somewhat surprising, move was to re-appoint **Christian Ntsay** as prime minister on 21 January.¹ Rajoelina had commented in June 2018 that Ntsay's appointment as prime minister was not a "consensus appointment" – Ntsay was tourism minister under President **Marc Ravalomanana** (2002-2009) and Rajoelina claimed last June that his nomination as prime minister was not constitutional:

"It's a [prime minister] who is on the side of the government. I don't think he's a consensus prime minister."²

Rajoelina may, however, have had little room to manoeuvre in appointing Ntsay. According to the constitution, the president is required to appoint a prime minister nominated from the **Assemblée Nationale** (parliament). The **Commission électorale nationale indépendante (CENI)** (independent national electoral commission) announced on 31 January that legislative elections would take place on 27 May.³ Parliament accordingly dissolved on 5 February and this could have delayed the approval of a new prime minister in the meantime, compromising Rajoelina's first 100 days in office. However, it is likely that Rajoelina will remove Ntsay after legislative elections in May.⁴

Rajoelina has streamlined his cabinet to 22 members (21 ministers and one deputy minister), down from 30 members in President **Hery Rajaonarimampianina's** (2014-2018) cabinet. Rajoelina said the slimmed-down cabinet was "in the interests of austerity and not spending public money".⁵ The new government is largely composed of business leaders and technocrats, rather than just loyal party supporters. According to an **Antananarivo**-based political scientist,

¹ Jeune Afrique, 21 Jan 2019

² Seychelles News Agency, 5 Jun 2018

³ RFI Africa, 31 Jan 2019

⁴ Source, Madagascar political analyst

⁵ Reuters, 24 Jan 2019

“The head of state was able to tap into a pool of skills without necessarily giving in to the calls of those who asked to be rewarded for their support. It’s a good surprise.”⁶

Rajoelina’s new cabinet ⁷	
Christian Ntsay	Prime minister
Tianarivelo Razafimahefa	Interior minister
Julio Rakotonirina	Health minister
Lucien Ranarivelo	Agriculture minister
Jacques Randrianasolo	Justice minister
Alexander Georget	Environment minister
Roger Rafanomezantsoa	Public security minister
Lucien Irmah Naharimamy	Population minister
Vonjy Andriamanga	Energy minister
Naina Andriatsitohaina	Foreign minister
Hajo Andrianainarivelo	Spatial planning and public works minister
Marie Therese Volahaingo	Education minister
Joel Randriamandranto	Transport minister
Leon Richard Rakotonirina	National defence minister
Fidinarivo Ravokatra	Mines and strategic resources minister
Gisele Ramampy	Employment and public service minister
Landisoa Rakotomalala	Industry, trade and handicrafts minister
Christian Ramarolahy	Posts and telecommunications minister
Roberto Tinoka Raharoarilala	Youth and sports minister
Lalâtiana Rakotondrazafy Andriatongarivo	Communication and culture minister
Richard Ravalomanana	Secretary of state in charge of national gendarmie

Rajoelina appointed **Richard Randriamandranto**, a former adviser to Ntsay, as economy and finance minister on 24 January.⁸ Randriamandranto was instrumental in putting together Rajoelina’s **Initiative pour l’Emergence de Madagascar (IEM)** economic plan⁹ and was previously in charge of research and strategy at the **Common Market for Eastern and Southern Africa (COMESA)**.¹⁰

Rajoelina pledged strong results from his new cabinet and stated that there would be evaluations in six months. After a year, he will decide who remains and who will be replaced.¹¹ For Rajoelina, nicknamed **TGV** after the high-speed **French** bullet train, speed is everything. He has shown that he is

⁶ Le Monde, 25 Jan 2019

⁷ Multiple sources: Le Monde, 25 Jan 2019; RFI Afrique, 24 Jan 2019; News Ghana, 25 Jan 2019; L’Express Madagascar, 24 Jan 2019

⁸ Reuters, 24 Jan 2019

⁹ RFI Afrique, 24 Jan 2019

¹⁰ Reuters, 24 Jan 2019

¹¹ Daily Mail, 24 Jan 2019

looking to make changes as soon as possible. In contrast, Rajaonarimampianina took three months to appoint his cabinet.

Rajoelina able to legislate by decree until parliamentary elections

The **Assemblée Nationale** (national assembly) approved a bill on 1 February that allows President Rajoelina to legislate by decree following the dissolution of the national assembly on 5 February.¹² Although the decree allows Rajoelina to put through any laws he may wish, he will need to ensure he does not upset his voter base, the opposition or international donors before rushing to make laws. According to Article 104 of the Madagascar constitution, the national assembly can delegate legislative powers to the president “*for a limited time and for a specific purpose*”.¹³ The senate, of which Rajaonarimampianina’s **Hery Vaovao ho an'i Madagasikara (HVM)** party holds 55 out of 63 seats, approved the bill on 5 February.¹⁴ Some opposition members have criticised the move and the broad interpretation of the constitution, but legislators said they had acted so as not to block the development of the country and the new government.¹⁵ A failure to pass the bill would have meant legislative deadlock until the May elections.¹⁶

The bill states that Rajoelina can legislate on all matters arising from Article 95 of the constitution. This list is quite vast and includes international relations, nationality, currency issues and civil rights,¹⁷ giving Rajoelina an opening to pass a broad range of legislation. The **Haute Cour Constitutionnelle (HCC)** ruled on 15 February that the law is in accordance with the constitution, but stated that the HCC will verify the laws to ensure they do not impinge on the constitution or unnecessarily increase presidential power.¹⁸ The newly elected national assembly will have to ratify all decrees after the May elections.¹⁹

In the interests of stability in Madagascar, Rajoelina will need to toe the line when legislating by decree. While Ravalomanana and other opposition parties accept his legitimate victory in the elections, they will be quick to protest if Rajoelina is seen as trying to increase his powers between now and the legislative elections. Opposition members will also rail against passage of any controversial legislation, such as repealing any civil servant pay increases, which would increase the risk of protests and potential conflict.

Rajoelina looking to repair relations with IMF and crack down on corruption

President Rajoelina presented his state policy to the council of ministers on 2 February. He outlined his plans and policies for his new government, which focus on peace and security, but his cabinet appointments reflect a desire to repair relations with the **International Monetary Fund (IMF)** and to crack down on corruption.

The IMF visited Madagascar from 11-15 February for discussions on the fourth review of the country’s economic reform programme, which is supported by the IMF’s extended credit facility (ECF).²⁰ The IMF team leader, **Marshall Mills**, said that progress was made in the discussions and forecasts growth above 5% for 2019.²¹ The IMF is pushing for the government to increase fuel prices and end government subsidies, which has allowed petroleum suppliers to offer fuel below market rates.²² The IMF may withhold the \$40m instalment if the government does not find a solution to

¹² RFI Afrique, 2 Feb 2019

¹³ RFI Afrique, 2 Feb 2019

¹⁴ Jeune Afrique, 5 Feb 2019

¹⁵ Jeune Afrique, 5 Feb 2019

¹⁶ Jeune Afrique, 5 Feb 2019

¹⁷ Madagascar constitution, 2010

¹⁸ RFI Afrique, 15 Feb 2019

¹⁹ Jeune Afrique, 5 Feb 2019

²⁰ EIN News, 15 Feb 2019

²¹ EIN News, 15 Feb 2019

²² Indian Ocean Newsletter, 8 Feb 2019

this.²³ Rajoelina, who is likely aware of the recent protests in **Zimbabwe** and **France** over increased fuel prices, will resist but is hamstrung to deny the IMF. Rajoelina will need the IMF on his side to put forth his raft of plans that will require funding, and at the same time temper IMF expectations of trimming public subsidies for fuel and the state-owned utility company, **Jiro sy rano Malagasy (Jirama)**.²⁴ Rajoelina will worry that an IMF-mandated decrease in government spending will prevent him from implementing his strategies, causing his supporters to feel ignored.

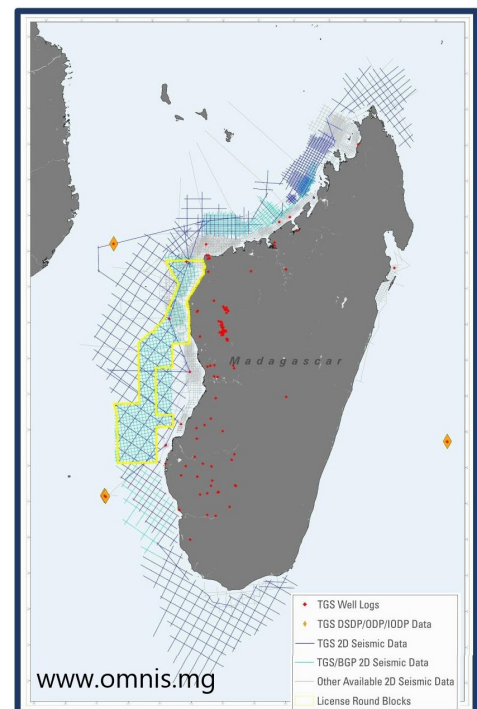
The IMF has also pressed the government to step up an anti-corruption drive. Rajoelina has vowed to establish an independent body to combat corruption,²⁵ which has increased over the past several years. Madagascar placed 152nd out of 180 countries with a score of 25 in **Transparency International's 2018 Corruption Perceptions Index**.²⁶ The index is designed to give a sense of public sector corruption and rates countries on a scale of zero (highly corrupt) to 100 (very clean). Transparency International has focused on rosewood trafficking as a major issue, particularly during Rajoelina's first time as president from 2009 to 2014.²⁷

TI 2018 CPI Rankings for Madagascar ²⁸					
	2018	2017	2016	2015	2014
Ranking	157/180	155/180	145/176	123/168	133/175
Score (out of 100)	25	24	26	28	28

Government suspends offshore oil licence bid round

The state-run oil regulator, **Office des Mines Nationales et des Industries Stratégiques (OMNIS)** (national office of mines and strategic industries), announced that the government has suspended the 2018/2019 licensing round involving 44 blocks in the offshore **Morondava Basin**, according to reports on 21 February.²⁹ OMNIS gave no reason for the suspension, although it may be connected with Rajoelina's desire to reform the hydrocarbons code.³⁰ Former President Rajaonarimampianina had also planned to reform the hydrocarbons code, but did not submit the draft to parliament for approval and instead began direct negotiations with oil companies, such as **United Kingdom**-based oil company **BP**.

OMNIS opened its licensing round for the 44 offshore oil blocks on 7 November in **Cape Town (South Africa)** (see *ARC Briefing Madagascar November 2018*).³¹ OMNIS director-general **Voahangy Nirina Radarson** announced the new oil blocks and said that new studies conducted with **United**



²³ Indian Ocean Newsletter, 8 Feb 2019

²⁴ EIU, 31 Jan 2019

²⁵ News24, 20 Jan 2019

²⁶ www.transparency.org

²⁷ Transparency International, 24 Aug 2018

²⁸ www.transparency.org

²⁹ Upstream, 21 Feb 2019

³⁰ Africa Energy Intelligence, 29 Jan 2019

³¹ www.omnis.mg

States (US)-based geoscience data company **TGS** and **China**-based geophysical product company **BGP** (part of state-owned **China National Petroleum Corporation**) suggested there is significant potential for offshore discoveries.³² The Morondava Basin shares a maritime boundary with **Mozambique** in which oil and gas companies have discovered very large gas deposits.³³

The decision to suspend the licence bid round is prudent. Many oil companies will not be interested in bidding for a block not knowing the final legislation they will have to work with. There is a risk that Rajoelina's oil code reform may increase royalties, taxes and obligations on international oil and gas companies. The suspension is likely to remain until the new code is passed, which Rajoelina could do quickly given his power to legislate (see above).

Planner

27 May 2019 (**Madagascar**) Legislative elections scheduled

August 2019 (**Madagascar**) Municipal elections scheduled

Chronology

21 Feb 2019 **Antananarivo (Madagascar)** *Upstream*. The government suspends its **Morondava Basin** offshore oil licensing round for unknown reasons;

19 Feb 2019 **Antananarivo (Madagascar)** *RFI*. Authorities sentence **Hugues Ratsiferana**, a former special adviser to former President **Hery Rajaonarimampianina**, to one year in prison for embezzlement of state material;

15 Feb 2019 **Antananarivo (Madagascar)** *Globe News Wire*. The government grants a 40-year mining licence to **Canada**-based **NextSource Materials Inc** at the **Molo Graphite Project**;

14 Feb 2019 **Antananarivo (Madagascar)** *RFI Afrique*. The **Haute Cour Constitutionnelle** approves the law that gives President **Andry Rajoelina** the power to pass legislation;

14 Feb 2019 **Antananarivo (Madagascar)** *Jeune Afrique*. Police arrest **Mbola Rajaonah**, an adviser to former President **Hery Rajaonarimampianina** and **Marc Ravalomanana**, for corruption charges;

14 Feb 2019 **Antananarivo (Madagascar)** *Reuters*. The **World Health Organisation** says that at least 922 children have died of measles since October despite a vaccination programme;

5 Feb 2019 **Antananarivo (Madagascar)** *Jeune Afrique*. Parliament authorises President **Andry Rajoelina** to pass legislation until legislative elections on 27 May;

1 Feb 2019 **Antananarivo (Madagascar)** *Orange*. President **Andry Rajoelina** presents the *Politique Générale de l'Etat* (general state policy) to the council of ministers;

31 Jan 2019 **Antananarivo (Madagascar)** *RFI Africa*. The **Commission électorale nationale indépendante** announces legislative elections for 27 May;

25 Jan 2019 **Antananarivo (Madagascar)** *Le Monde*. President **Andry Rajoelina** appoints 22 ministers, mostly business leaders, to his cabinet for one-year terms;

24 Jan 2019 **Antananarivo (Madagascar)** *L'Express Madagascar*. President **Andry Rajoelina** appoints **Richard Randriamandranto** as finance minister;

21 Jan 2019 **Antananarivo (Madagascar)** *Jeune Afrique*. President **Andry Rajoelina** re-appoints **Christian Ntsay** as prime minister;

³² www.omnis.mg

³³ Achilles, 3 Oct 2018

21 Jan 2019 **Antananarivo (Madagascar)** *Africa Intelligence*. **Canada**-based mining company **DNI Metals** plans to raise \$7m-\$10m to construct a graphite processing plant in **Madagascar**;

19 Jan 2019 **Antananarivo (Madagascar)** *Jeune Afrique*. **Andry Rajoelina** is inaugurated as the new president;

19 Jan 2019 **Antananarivo (Madagascar)** *Mining Review*. **Canada**-based **NextSource Materials** receives conditional approval for its environmental permit for the **Molo** graphite project;

9 Jan 2019 **Antananarivo (Madagascar)** *Mail & Guardian*. Former President **Marc Ravalomanana** accepts defeat after the **Haute Cour Constitutionnelle** confirms **Andry Rajoelina** as winner of the December elections.